United Nations E/CN.18/2011/6

Economic and Social Council

Distr.: General
15 November 2010

Original: English

United Nations Forum on Forests
Ninth session
New York, 24 January–4 February 2011
Item 5 of the provisional agenda*
Forests for people, livelihoods and poverty eradication

Conclusions and recommendations for addressing key challenges of forests for people, livelihoods and poverty eradication

Report of the Secretary-General

Summary

The present report sets out conclusions and recommendations for the consideration of the United Nations Forum on Forests in addressing the key challenges in the context of the overall theme of the ninth session, "Forests for people, livelihoods and poverty eradication", based mainly on the reports of the Secretary-General entitled "Community-based forest management" and "Forests for people: cultural and social values of forests and social development" (E/CN.18/2011/4 and E/CN.18/2011/5). Forests have significant potential to enhance livelihoods, social development and contributions to poverty eradication throughout the world. In order for forests to be a truly sustainable natural resource and to effectively improve the well-being of people, a number of policies and programmes are needed at the local, national, regional and international levels. The range of policy programmes includes good forest governance, tenure security, access and benefits, local participation, cross-sectoral and landscape-level policy frameworks and increased funding and political commitment at all levels. The many emerging opportunities in the context of forests include those related to climate change, payments for ecosystem services, the provision of water, forest landscape restoration and the transition to a green economy.

* E/CN.18/2011/1.

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Contents

		Page
I.	Introduction	3
II.	Conclusions	4
	A. Forests and social development	5
	B. The cultural values of forests	6
	C. Forest governance and tenure security	6
	D. Community-based forest management	7
	E. Emerging issues	8
III.	Recommendations for consideration by the United Nations Forum on Forests	9

I. Introduction

1. The history of human existence and civilizations is intertwined with that of forests and trees. Forests are crucial because of the goods and services that they provide, on which people all over the world are dependent to varying degrees. Forests are deeply rooted in people's social, cultural and spiritual spheres. Examples of lifestyles intertwined with forests abound on all continents. Many farming, silvopastoral, hunter-gatherer and other land-based livelihoods are linked with forests and forest health. A number of religions, faiths and spiritual traditions have links to trees, plants, forests and animals. In addition, forests and wildlife are a source of folklore and spirituality. Traditional forest-related knowledge accumulated over thousands of years is both woven into the fabric of societies and deeply intertwined with the cultures of indigenous and forest-dependent peoples.

2. Despite the policy and political significance attached to global poverty in recent years, in particular within the framework of the Millennium Development Goals, the eradication of poverty remains a critical challenge in many developing countries. While significant progress is being made in many emerging economies, poverty is being exacerbated by the current global economic and financial crisis. In this regard, it is worth noting that at least 1.6 billion people still directly depend on forests for their livelihoods and that the majority of them are poor and live in and around forests. Approximately 60 million people, mainly members of indigenous and local communities, reside in forests. More than 60 million people are employed by forest-based industries (wood, pulp and paper and other processing plants).[1] The annual value of wood removed from forests is estimated to be more than $100 billion. According to *State of the World's Forests 2007*, in 2004 1.6 billion m^3 of wood products were removed from forests and the total value of trade in forest products reached $327 billion.[2]

3. Although people who reside in rural areas in or around forests tend to rely more heavily and directly on forests for their livelihoods, the benefits of forests for urban populations (raw materials, clean water, clean air, recreation and quality of life), even if seemingly indirect, are no less substantial. Forests and trees in cities or in the countryside nearby are recognized in most societies as providing much-needed recreational opportunities and relief from the stresses of modern life, thus playing an important therapeutic and emotional support role. Forests convey a sense of purity and closeness to nature, so it is understandable that people around the world are aware of and concerned about the high rates of deforestation and forest degradation. Given the increasing awareness of environmental problems and global climate change and their impact on humans and ecosystems, the public is sensitive to the critical functions of forests and deeply concerned about their loss. Forests and trees have become symbols of the need for change and for commitments to new ways of living. Forests now symbolize a way forward.

4. The overall theme of the ninth session of the United Nations Forum on Forests, "Forests for people, livelihoods and poverty eradication", is more than a notional theme, focusing as it does on the core relationship between humankind and

[1] W. V. Street and S. Price, *TFD Review: Advancing Poverty Reduction and Rural Livelihoods through Sustainable Commercial Forestry*, TFD Publication No. 4 (New Haven, The Forest Dialogue, 2009).

[2] See ftp://ftp.fao.org/docrep/fao/009/a0773e/a0773e09.pdf.

this unique gift of nature. The multi-year programme of work of the Forum for the period 2007-2015 identified the theme as a priority focus for the ninth session. It is clustered into three specific sub-themes, addressing (a) community-based forest management; (b) the social and cultural aspects of forests; and (c) social development and indigenous and other local and forest-dependent communities, including forest land tenure. The Secretary-General has submitted to the General Assembly two reports providing background information on those three sub-themes, entitled "Community-based forest management" (E/CN.18/2011/4) and "Forests for people: cultural and social values of forests and social development" (E/CN.18/2011/5). The first addresses the issues covered by sub-theme (a) and the second those covered by sub-themes (b) and (c).

5. The present report presents a comprehensive set of conclusions and recommendations related to the sub-themes, for the purpose of facilitating focused policy discussions on the part of the Forum. The report draws upon information contained in the report of the international expert meeting, a country-led initiative, on the theme "Forests for people: the role of national forest programmes and the non-legally binding instrument on all types of forests", held in Guilin, China, in November 2009; the report of the workshop, a country-led initiative, on the theme "Forest governance and REDD+ in Latin America and the Caribbean", held in Oaxaca, Mexico, in September 2010; and the report of the workshop, a major group-led initiative, on the theme "Applying sustainable forest management to poverty reduction: strengthening the multi-stakeholder approach within the United Nations Forum on Forests", held in Accra in July 2010.

6. Owing to the close links between and overlap of the issues covered under the overall theme and the sub-themes, the present report should be considered jointly with the reports of the Secretary-General referred to in paragraph 4 above.

7. The present report contains three sections. Section II sets out conclusions on issues related to the interaction of forests and people and the role played by forests and trees in livelihoods and poverty eradication. Section III set out a number of recommendations addressed specifically to Member States, the Collaborative Partnership on Forests, donors and the international community and to the Forum secretariat.

II. Conclusions

8. Forests can be an engine both for rural economic development and prosperity and for "poverty traps", depending on societal choices and the policies that result. There are many examples of underdeveloped areas with poor people living near rich forests, giving rise to the argument that forest-dependent communities are de facto living in poverty. However, experience has shown that when forests are destroyed through unsustainable practices, such people become even poorer and more vulnerable owing to the degradation of the ecosystems on which they depended. Where forests are sustainably managed and products processed and utilized in harmony with societal needs, forests can contribute significantly to alleviating poverty and creating forest-based enterprises and service sectors. Thus, a clear political commitment to develop and implement policies that make forests work for people's welfare is of key importance. Accordingly, the Forum may wish to deliberate on how forests can more effectively support forest-dependent indigenous

and rural communities so that such communities can emerge from subsistence livelihoods and the associated effects of poverty, including high rates of infant mortality, shorter life spans, lack of opportunities for income generation and wealth creation, and limited access to education and health services.

9. A forest is as much a social and political reality as it is a biophysical entity, owing to the involvement of diverse stakeholders (smallholders, Government management agencies, conservation groups and forest industries) and their often conflicting interests with regard to how forests are managed. The management of forest resources, therefore, requires the application of the principles of sociology, political science and human behaviour, as well as those of forest sciences.

10. Countries have put in place a number of policy and market mechanisms to enhance the conservation, management and sustainable development of forests to benefit current and future generations. They include strict protection under State control, private ownership and market development and community-based forest management. But, as is clear from the reports of the Secretary-General (E/CN.18/2011/4 and E/CN.18/2011/5), much needs to be done to change the situation of poverty associated with forests and to achieve sustainable forest management.

A. Forests and social development

11. For all poor rural people, access to food, fuel, water and medicine is vital, and forests complement products obtained from the farm to meet those needs. Women and children in many rural communities have to spend a large part of their time collecting fuelwood, fodder and subsistence foods from forests. Women and children whose rights are abused and well-being harmed while working in forests face great hardship. Poor people, irrespective of gender and age, are more dependent on forests for their subsistence than wealthier people. With better management and an enabling institutional and policy environment, forests can become a significant mechanism through which to reduce poverty, increase resilience and create enterprises and service sectors based on sustainable forest management. Such an approach should build on linkages between forests, agriculture and other development sectors in an integrated and multisectoral manner, promoting small and medium-sized forest enterprises and community-company partnerships.

12. The valuation of forest goods and services and the development of mechanisms to realize monetary returns from them are important policy and regulatory actions which allow for the appreciation of forest values, thereby contributing more effectively to human well-being. In this regard, a number of nascent "payment for ecosystem services" initiatives have shown the positive possibilities of valuing and paying for such forest ecosystem services as carbon sequestration, water-quality maintenance, biodiversity conservation and soil conservation, which are vital for human well-being. Such initiatives have been expanding over the past decade, in particular through the mechanisms being developed in the context of climate change negotiations, most recently through reducing emissions from deforestation and forest degradation (REDD) and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+), with a focus on substantial funding opportunities and incentives for combating deforestation. While such new funding

offers potential benefits, because of its focus on combating deforestation, the majority of countries are excluded from receiving such benefits at present. Among other forest-based ecosystem services, maintaining and improving the hydrological cycle to ensure an adequate supply of clean water, including the provision of potable water for rural and urban populations and for agricultural purposes, are critical to people's livelihoods.

B. The cultural values of forests

13. Human interactions with forests have given rise to many cultural and spiritual values in all societies. Although such values are intangible, they are manifested in various ways and forms and are critical to the cultural identities of communities.

14. Investment in social capital would accelerate the development process, thereby contributing to the achievement of the Millennium Development Goals. With rising standards of living and greater social awareness, the perception of forests as a free, inexhaustible resource will also change. Trees and forests can provide an important means of capital formation and address poverty-related problems in forest-dependent communities, while effective governance can reduce or halt the loss or degradation of forests. Thus, poverty eradication policy and sustainable forest management policy should go hand in hand.

C. Forest governance and tenure security

15. In the last three decades, forest rights and governance have changed in unprecedented ways, in particular with respect to the relationships between communities and Governments. That period has seen greater openness on the part of forest decision-makers regarding the involvement of local populations in governance and in sharing the benefits derived from forests. If forests are to be people-centred, it is paramount that policymakers and forest managers listen to people so as to determine what they want and need from forests, calling for bottom-up, participatory equitable forest-management approaches. It is critical that that trend continue and be made more secure in the future in order for the voices of people to be incorporated into forest governance.

16. Good governance, which provides a sound enabling environment for investment, tenure security, the rule of law, participatory approaches to decision-making and efficient bureaucracies, is a prerequisite for any effort to bring forests under sustainable management with a view to contributing to the health and well-being of people.

17. Tenure and associated rights and responsibilities are prerequisites for the sustainability of any natural resource, including forests. In policy deliberations on forests, therefore, tenure security and the associated access and benefit rights should be priority issues. Clear tenure arrangements should provide tenure security and property rights, as well as an institutional mechanism for effective enforcement. Experience has shown that community forestry models of forest management are successful in countries where clarity and security of tenure are guaranteed by States. It is becoming even more important now, in the context of the REDD+ mechanism emerging from the climate change negotiations, to underscore the need to reform tenure rights and arrangements so as to attend to the interests of local communities

and indigenous people in ensuring the flow of benefits from that and other emerging mechanisms.

18. Rights to access and benefit-sharing for local people is a fundamental requirement for the achievement of sustainable forest management and the reduction of rural poverty in forested areas. There is a need to reconcile traditional forest-related knowledge, intellectual property rights and the equitable sharing of benefits between indigenous and local communities and external agents operating in forests. This matter has come increasingly to the forefront in recent years as a result of the experience gained in developing and implementing the REDD+ mechanism.

19. In addition, better information, scientific knowledge and modern management techniques are critical for ensuring sustainable forest management and the downstream processing and marketing of forest and non-wood forest products. The interface between science and policy needs to be strengthened at the local, national and international levels, utilizing modern technologies, including information technologies.

20. A holistic approach to forests that takes into account the economic, social and environmental values, as well as the cultural and spiritual dimensions, of forests for all people is essential, including in developing policies such as REDD+. Much more frequent and effective cross-sectoral and cross-institutional integration is needed in this regard.

21. If stakeholders have adequate information about forest resources and policies, they can practise sustainable forest management by ensuring that harvesting levels are appropriate, thereby showing appreciation for the true social and economic value of forests. Such an approach will require the identification of knowledge gaps and the provision of support for further capacity-building in local communities.

D. Community-based forest management

22. Community-based forest management is a growing phenomenon in many parts of the world. After three decades, the management system stands at a crossroads. The basic tenet of the system is the centrality of people and the value of collective responsibilities and actions, in particular for those who live in and around forest areas and whose livelihoods are directly affected by the existence (or loss) of forests. The system devolves the authority and responsibility from the State to community groups to take control of and manage certain tracts of forest land. Depending on the social, political, institutional and biophysical conditions of a country, community forestry programmes take many different forms. Experience has shown that community-based forest management has great potential to contribute to sustainable forest management, biodiversity conservation, improvements in livelihoods, the strengthening of grass-roots democracy and people's organization, and the achievement of the Millennium Development Goals.

23. Community forests have not only helped to rehabilitate barren hill slopes, enhance standing degraded forest land and increase the supply of forest products to local communities, but also raised awareness for civic activism, such as building associations and mobilizing for social justice and rights and competency for collective actions. In many developing countries, the villagers who have been involved in community forest programmes are also more active in other social and

political movements. That is an unintended development that clearly has positive empowering effects for vulnerable and previously voiceless segments of societies, including women and the poor.

24. Community forestry management models have resulted in many social changes, including the sustained supply of basic forest products to community members and the creation of free time enabling young children to attend school. They have also created opportunities for wood and non-wood processing and marketing and further income generation. In post-conflict countries, including Liberia, the opportunities afforded by community-based forest enterprises can be considerable, both economically and in terms of social reintegration. However, it should be noted that community forestry has its limits; it would be wrong to assume that community forests are necessarily a better solution, or the only solution, permitting the sustainable management of forests for various purposes or that community forests have no problems of their own. It is best to regard community-based forest management as one among the range of forest management models, which should be chosen on the basis of ecological, socio-economic and political conditions. Elinor Ostrom, the 2009 winner of the Nobel Prize for economics for her work on common property and collective action, has said, "We find Government forests that work and community forests that work and those that don't. Panaceas, like thinking 'community forests are always great', are dangerous."[3] However, with the appropriate institutional framework backed by financial, technical and legal support, community-based forest management can, in many instances, have desirable results for people and forests.

25. Community-based forest management should also be considered in the context of a broader landscape that covers other land uses such as farming, grazing land for livestock, infrastructure and watersheds. As the majority of such forest management practices are carried out in rural areas, economic decisions made by communities and households within communities depend on farm and non-farm incomes, forest-based income and incomes from other sources or sectors. Given that more than 1 billion hectares of degraded areas throughout the world are suitable for forest landscape restoration, community-based forest management could be woven into other existing rural economic activities. Other landscape-based approaches (on non-degraded land in production and conservation forests) are also important.

E. Emerging issues

26. There is a renewed recognition of the role played by forests in ensuring a sustainable water supply and in the transition of society towards green economies. Wood energy, green infrastructure and buildings, and forests as carbon sinks represent opportunities for the forest sector. In a life cycle analysis of building materials, wood has a strong advantage when compared with other building materials, and therefore has the potential to gain market share and usage in any future green buildings (for detailed discussion on green economy, see E/CN.18/2011/8).

27. Adequate financing for all aspects of sustainable forest management is a critical issue under deliberation in the international forest policy process. While

[3] *The Economist*, 25 September 2010.

REDD+ financing represents an emerging opportunity for mobilizing new financial resources for forests, the scope of such financing is unlikely to address all aspects of sustainable forest management. In this regard, it should be emphasized that the special session of the ninth session of the Forum on Forests, held in October 2009, set in motion a process to find a concrete solution on forest financing that would be comprehensive and cover financing challenges for all aspects of forests in all geographic regions and for all forest types. In this context, the experience gained from the programmes and processes, related to REDD+, such as the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, the Forest Carbon Partnership Facility, the Forest Investment Programme, the Global Environment Facility and several bilateral and regional initiatives, will provide valuable input for the Forum's work on forest financing, including for the Open-ended Intergovernmental Ad Hoc Expert Group on Forest Financing.

III. Recommendations for consideration by the United Nations Forum on Forests

28. **The Forum may wish to consider encouraging Member States to:**

(a) **Incorporate more participatory models of decision-making processes related to forests, in particular with respect to the involvement of local communities and indigenous people and their knowledge, with a specific focus on incorporating women into the process;**

(b) **Support the development or strengthening of local decision-making mechanisms for forest management, including the participation of women so as to better represent their interests;**

(c) **Take action to explore, develop and improve an enabling environment, tenure security, fair access and benefit-sharing and long-term incentives to further attract investment in forests;**

(d) **Continue and intensify the devolution of tenure rights by reforming national legislation and regulations to enable the transfer of forest tenure to local and indigenous communities, depending upon their levels of dependence on forests;**

(e) **Provide financial and technical assistance to develop the capacity of local and indigenous communities in negotiating and recording forest tenure, access and benefits arrangements;**

(f) **Share experiences and provide examples on the sharing of revenues and/or other benefits from forests granted as commercial timber concessions with communities whose livelihoods directly depend on such forests;**

(g) **Seek to develop a forest landscape restoration approach to degraded areas of land which require a more strategic identification of appropriate forest, agricultural, wetland, protected areas and other land management areas, and include close cooperation with communities in so doing;**

(h) **Encourage the establishment of safeguards and guidelines to ensure that the benefits derived from forests are equitably distributed to local and**

indigenous communities, in particular in the context of emerging mechanisms such as REDD+;

(i) Develop and supply alternative energy sources to rural areas and improve the productivity of agricultural land to reduce pressures on natural forests, including those arising from agricultural biomass;

(j) Develop policies that integrate the role of sustainable forest management in the sustainable supply of clean water for rural and urban populations and for agricultural purposes;

(k) Raise awareness of the value and importance of the sustainable production of multiple forest goods and services, including through information campaigns targeted at communities, as well as of the forest's contribution in terms of social, economic and environment benefits and, to this end, include forest education in the curricula of primary and secondary schools, making use of various media and the International Year of Forests, 2011;

(l) Promote local entrepreneurship, community-company partnerships and small and medium-sized forest-based enterprises and related investment in sustainable forest management.

29. **The Forum should consider inviting the Collaborative Partnership on Forests to:**

(a) Assess, in collaboration with countries and major groups, the status of existing data banks and information on forest conditions and forest tenure, including information on forest biodiversity, carbon, and livelihoods in different types of forest areas, and work towards establishing and regularly updating a digital global data-sharing mechanism which could be easily accessed by Government agencies, forest managers, researchers, civil society groups and other forest stakeholders;

(b) Assist countries in developing policies, strategies and data-gathering systems which connect sustainable forest management with sustainable and resilient local livelihoods, with due emphasis on forest governance, tenure security and public participation;

(c) Assist Member States in developing practical and simplified methodologies to understand the full range of forest values and in capturing such values to protect vulnerable ecosystems or to generate revenue flows from sustainable sources;

(d) Assist countries and community groups in improving their communication, moderation, facilitation and conflict-management skills and in strengthening collaboration with other sectors;

(e) Assist Member States in improving the capacity of communities to produce goods and services in a sustainable manner through such means as community-based training, education networks and associations comprising representatives of relevant stakeholder groups;

(f) Assist Member States in integrating the forest instrument and national forest programmes and similar strategies into national development strategies and national forest financing strategies, as well as in tying these

mechanisms to other sectoral coordination mechanisms, including in the area of agriculture and poverty reduction strategies;

(g) Promote a forest landscape restoration strategy as a joint initiative with the Collaborative Partnership on Forests, building on the work of the Global Partnership on Forest Landscape Restoration and as a means of deciding on the best ecosystem choices available as well as to restore the appropriate balance between human beings and nature in forest landscapes.

30. The Forum may wish to consider inviting donors, international organizations and civil society to:

(a) Work together to identify the key elements in an enabling environment for sustainable forest management and assist countries in creating such an environment in order to attract investment in sustainable forest management;

(b) Increase funding for people-focused actions in sustainable forest management, specifically in integrated rural development programmes, in particular community-oriented forest governance, management and benefits;

(c) Provide financial resources, assist in capacity development and promote technology transfer to developing countries and countries in transition in order to support their efforts in improving community-based forest management and social development.

31. The Forum may wish to consider calling upon the private sector and civil society organizations to actively participate and contribute to people-oriented forest development programmes.

32. The Forum may wish to consider requesting the Forum secretariat:

(a) To further gather and analyse, in cooperation with members of the Collaborative Partnership on Forests, relevant information on the contribution of forests to sustainable livelihoods, income generation and economic development, and to submit it to the Forum at its tenth session within the context of the overall theme of the tenth session, "Forests and economic development". In this regard, a country-, organization- or major group-led intersessional initiative in support of the Forum on this subject would be welcome;

(b) To consider intersessional activities on forest valuation methodologies to reflect the full value of contributions from forests to national accounting systems and national development in order to enrich the discussion of the overall theme of the tenth session of the Forum in 2013;

(c) In cooperation with members of the Collaborative Partnership on Forests, to recognize the fundamental and critical relationship between forests and water, and to develop, with the support of donors, analyses of the key aspects of that relationship for consideration at the tenth session of the Forum as a critical aspect of economic development and as a significant emerging issue.